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**TO:** Director, Freedom of Information & Security Review, Rm. 2C757, Pentagon

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d. OFFICE NA		e. AGENCY Naval Cost Analysis Division

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Request permission to post the presentation to the DoD Cost Analyst Symposium website at <http://www.dodcas.osd.mil>. The purpose is to make symposium presentations available to interested parties. The symposium was held on February 14-18, 2005 at the Williamsburg Marriott in Williamsburg, VA.

## 4. POINT OF CONTACT

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## 5. PRIOR COORDINATION

a. NAME (Last, First, Middle Initial)	b. OFFICE/AGENCY	c. TELEPHONE NO. (Include Area Code)

## 6. REMARKS

**SLIDES ONLY  
NO SCRIPT PROVIDED**

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Chairman, Cost Analysis Improvement Group

b. CLEARANCE IS REQUESTED BY 20050431 (YYYYMMDD).	
c. NAME (Last, First, Middle Initial) Vogel, Russell A.	d. TITLE CAIG Executive Secretary
e. OFFICE OSD PA&E	f. AGENCY DoD

g. SIGNATURE 	h. DATE SIGNED (YYYYMMDD) 20050405
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# **Naval Cost Analysis Division**

## **Cost Research**

### **38<sup>th</sup> DoD Cost Analysis Symposium “Considering Risk”**

**February 18, 2005**

**Capt John Field, NCAD  
(703) 692-4886**

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- Navy Cost Organization
- Cost Research (CR) Management
- Funding Sources
- Selecting and Sharing Cost Research Projects
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# Navy Cost Research Activities

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- Naval Cost Analysis Division (FMB-6)
- NAVSEA
  - Cost Engineering & Industrial Analysis Div. (SEA-017)
  - Naval Surface Warfare Center, Carderock (NSWCCD)
  - Naval Surface Warfare Center, Dahlgren (NSWCDD)
- NAVAIR
  - Headquarters Cost Department (AIR-4.2)
  - NAWCAD – Pax River MD and Lakehurst NJ
  - NAWCWD – China Lake
- Office of Naval Research (ONR)
- SPAWAR
- Marine Corps Systems Command (MARCORSYSCOM)
  - Economic & Business Analysis Team (Asst Cmdr Programs)
  - Capability Assessment Support Center (Asst Cmdr Product Support)

# Navy Cost Research Management

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- Cost research is decentralized
  - Programs and activities determine and promote their own CR requirements
  - Specific, formal research projects are documented
  - Informal research is often not documented or distributed
  - Standards for managing, conducting, funding and documenting cost research set at organization level
- Occasionally NCAD and SYSCOM staff will coordinate research on common issues
  - Software, Inflation, Cost risk

# Sources for Cost Research Funds

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- No DoN dedicated CR funds are allocated
  - Funds may be available if a critical CR requirement is identified
  - SYSCOMs and program managers determine and fund their specific requirements
- Collaboration with other services
  - Occasional combined funding to address common cost research issues
- DoN funding of cost research has declined significantly and steadily during the last 6 years
  - Budget pressure, downsizing, outsourcing, etc.

# How Cost Research Tasks are Selected & Results Applied and Shared

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- CR projects are suggested by program offices, SYSCOM cost divisions, DoN HQ and OSD offices
- Final selection is decentralized and usually made by the funding activity
- Until recently, results were used and held by each research sponsor with limited formal distribution
  - NCAD is developing a cost estimating library for automated access of historical CR

# Current Cost Research Projects

## On-going or Completed in FY04

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### **NCAD**

OSCAM Ship

OSCAM Air

Navy/MC VAMOSC

NCAD On-Line Document Library

AIS Life Cycle Cost and Technical Database

Platform Integration Cost Database

Review of Policy and Tools for Risk Analysis

### **NAVSEA**

Material Vendor Survey

Technology Refresh Cost Model

NAVSEA Cost Estimating Handbook

### **Office of Naval Research**

Marine Composites Affordability

Effect of New Technologies on Ship Systems

### **NAVAIR**

Cost Growth Analysis

Force Level Economic Effectiveness Trade Model

Avionics Database

Missile Database

Software Cost and Schedule Estimating

### **MARCORSYSCOM**

MCSC Cost Analysis Handbook

Support to Marine Corps Enterprise Readiness  
Information Tool (Total Support Cost Module)

Software Development Cost Estimating Metrics

Family of Systems Cost Analysis

The number of active DoN CR projects has declined  
from 50 in 1998 to appx. 20 in 2005



# Other NCAD Efforts to Improve Cost Estimating and Analysis

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- DoN-wide review of cost analysis mission, organization, management, and funding
- Review and coordination of DoN cost databases
- Complete automated library to allow authorized users on-line query, search and retrieval of CR and other documents
- ASN(FM&C) emphasis on portfolio analysis

# NCAD Cost Research Vision

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- Increase awareness of the need for cost research
- Improve coordination and collaboration of cost research across DoN cost communities and with other services and OSD
- Explore collaboration with academic and private sector organizations
- Standardize distribution of formal CR reports
- Develop ways to identify and share informal CR results